UNDP

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DP/PROJECTS/7467

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
COMOROS

IPF:(1992-96) $11 133 000

(COI/91/003) - Assistance to the Private Sector

Date of approval by the AC:[1/]	31 March 1993
Expected duration:	36 months
Proposed executing agency:	ILO in association with UNIDO/FAO
Government implementing agency:	Ministry for Finance, Budget and Planning
Proposed UNDP contribution:	$ 2 356 800 Source of funds: IPF
Total UNDP budget:	$ 2 356 800

Project background

Private sector development is one of the four priorities in the fourth UNDP Country Programme (1992-96). To address the issue of economic recovery, the Government has drawn a policy framework in close cooperation with the World Bank and the International Monetary Fund which includes, inter alia, promotion of private initiative to foster economic libration and political reforms.

The Comoros private sector is hampered by the lack of natural resources and the relative isolation of the local economy from international trade. The scarcity of professional structures as well as the absence of an adequate legal business and commercial environment are not conducive for viable activities incentives enhanced by a deep economic recession. For these reasons the Government has requested UNDP assistance to establish a support project for the private sector in its strive to attain the macro economic goals of sustained and proportionate growth. With its two main instruments, the Center for Assistance to the Private Sector (CASP) and the Private Sector Development Fund (FASP), the project sets out to strengthen and dynamize enterprise development and to alleviate unemployment pressures caused by business deregulation measures, whilst broadening the social base of entrepreneurship. Particular attention will be drawn to women in development, non-governmental associations and environmental concerns.

The UNDP intervention, which is complementary to other aid donors activities fits into the Structural Adjustment and Public Administration Reform Program. The preparatory assistance has had these results to date: (a) the establishment of administrative and

[1/] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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institutional conditions to continue activities under a final and approved project such as CASP, FASP, and Business registration office (Guichet unique); and (b) the availability of studies and establishment of rehabilitation programs for private enterprises.

Description of project

The long-term objective of the project is to broaden the macro economic options of the Government. The immediate objectives of the project are to: (a) reinforce the mainstream economy by means of an appropriate institutional framework conducive to private initiative development, small business creation and SMB rehabilitation; (b) optimize the level of rehabilitation and development of human resources affected by economic changes through training and development programs; and (c) establish an institutional base to support the private sector and warrant proactive partnership with Government in its strive for global development.

Project activities will lead to the following outputs: (1) a CASP and FASP in full operation with production and dissemation of case studies; (2) feasibility studies; (3) rehabilitation plans; (4) 400 trained entrepreneurs; (5) 100 established small businesses; (6) three common facility centers; (7) one development plan at the horizon 2000; (8) one training system; (9) social security system study; (10) an embryo of a private employment office; and (11) the establishment of a tripartite institutional framework for the private sector.

Inputs

UNDP will provide a business administration specialist (36 man-months), an expert maintenance engineer (12 man-months), a junior-expert business administration (12 man-months), one UNV specialist for associations (24 man-months), international consultants (4.5 man-months); administrative support and seven national experts (four economists, one agro-economist, one legal expert, one trade specialist); from 1 April 1993, the cost of national expertise will be borne by the Chamber of Commerce; a local subcontract for small business support and various studies and participation of NGO's; the organization of training and seminars in the field of entrepreneurship development and business creation and management; equipment (three vehicles, office equipment, computers, air conditioners) and office furniture; and miscellaneous costs.

Financial data

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Personnel	1 326 300
Subcontract	521 000
Training	105 000
Equipment	237 000
Miscellaneous	107 500
Total	2 356 800